

PLAINTIFF

[REDACTED]

[REDACTED]

V.

OKLAHOMA CITIZENS

FILED

February 2025

Application For Transparency In Third-Party Litigation Financing (TPLF)

Oklahoma's courts are not casinos. Third-party litigation financing (TPLF) is an arrangement where a funder that is not a party to a lawsuit agrees to provide funding to a litigant (typically a plaintiff) or law firm in exchange for an interest in the potential recovery in a lawsuit. At present in Oklahoma, we do not know whether litigation is being funded by outside sources, domestic or foreign.

[REDACTED]

Funders often exercise significant control over litigation, contrary to their claims of being passive investors. This control threatens the professional independence of lawyers, and disrupts the loyalty that counsel owes to their clients. TPLF can also pose national security risks. There are concerns about foreign adversaries using TPLF to undermine the interests of the U.S. and allied countries, gain access to sensitive information, or evade sanctions. This practice often results in significant portions of settlements and judgments being siphoned off by funders, leaving actual claimants with greatly reduced recoveries after attorneys' fees are also deducted.

[REDACTED]

Transparency in this arena is the right step forward to ensure that the cost of doing business in Oklahoma is not artificially inflated by litigation funders who are only interested in the monetary outcome of the case.

WHY DO WE NEED TRANSPARENCY?

1. TPLF increases the potential for conflicts of interest and weakening of attorney-client privilege.
2. When companies are forced to redirect resources to defend against such lawsuits, it detracts from their core businesses and innovation efforts.
3. Litigation-funded parties face little personal risk, there can be incentive to initiate frivolous or unwarranted suits.
4. The presence of an outside funder, and its entitlement to a portion of a plaintiff's recovery, can complicate the ability to fairly resolve disputes and drive-up settlements and awards.
5. The lack of disclosure requirements means that judges, defendants, and plaintiffs are often unaware of who is calling the shots and making strategic litigation decisions.
6. By fostering strategic litigation against targeted U.S. companies or entire sectors, a foreign adversary could realize a range of objectives, whether advantaging their own competing industries, accessing sensitive information through the litigation process, or degrading the U.S. economy and weakening its national security.



PLAINTIFF

[REDACTED]

[REDACTED]

V.

OKLAHOMA CITIZENS

FILED

February 2025

Application For Transparency In Third-Party Litigation Financing (TPLF)

Oklahoma's courts are not casinos. Third-party litigation financing (TPLF) is an arrangement where a funder that is not a party to a lawsuit agrees to provide funding to a litigant (typically a plaintiff) or law firm in exchange for an interest in the potential recovery in a lawsuit. At present in Oklahoma, we do not know whether litigation is being funded by outside sources, domestic or foreign.

[REDACTED]

Funders often exercise significant control over litigation, contrary to their claims of being passive investors. This control threatens the professional independence of lawyers, and disrupts the loyalty that counsel owes to their clients. TPLF can also pose national security risks. There are concerns about foreign adversaries using TPLF to undermine the interests of the U.S. and allied countries, gain access to sensitive information, or evade sanctions. This practice often results in significant portions of settlements and judgments being siphoned off by funders, leaving actual claimants with greatly reduced recoveries after attorneys' fees are also deducted.

[REDACTED]

Transparency in this arena is the right step forward to ensure that the cost of doing business in Oklahoma is not artificially inflated by litigation funders who are only interested in the monetary outcome of the case.

WHY DO WE NEED TRANSPARENCY?

1. TPLF increases the potential for conflicts of interest and weakening of attorney-client privilege.
2. When companies are forced to redirect resources to defend against such lawsuits, it detracts from their core businesses and innovation efforts.
3. Litigation-funded parties face little personal risk, there can be incentive to initiate frivolous or unwarranted suits.
4. The presence of an outside funder, and its entitlement to a portion of a plaintiff's recovery, can complicate the ability to fairly resolve disputes and drive-up settlements and awards.
5. The lack of disclosure requirements means that judges, defendants, and plaintiffs are often unaware of who is calling the shots and making strategic litigation decisions.
6. By fostering strategic litigation against targeted U.S. companies or entire sectors, a foreign adversary could realize a range of objectives, whether advantaging their own competing industries, accessing sensitive information through the litigation process, or degrading the U.S. economy and weakening its national security.

